

Fiscal Flyer

CFMA-Issue 24

May 2007

MAKING YOUR LUNCH RESERVATIONS

Your **lunch reservations** should be made using the Internet. Visit the CFMA luncheons web page (see link below) and click on the "Place Setting." You can register each month or sign up for all the lunches in one visit. Please register by 12 PM on the Wednesday before the lunch. If you need to cancel after you register, please email Dottie Relaford before noon on the Wednesday before the lunch. dottie.relaford@state.co.us.
<http://www.state.co.us/cfma/Luncheons/lunch.htm>



May Luncheon

Place: Beef Palace – Serving Flank Steak & Chicken Marsala

Time: May 3, 2007 11:45am -1:30pm

Speaker: Les Shenefelt, State Controller



President's Corner By *Mike Willihnganz*

Well folks, we're in the final home stretch of the CFMA season – we're down to the final push for the spring conference, two more newsletters (actually one when I'm done with this), two luncheons (Les Shenefelt's State of the State Financials and the scholarship recipients) and last but not least, the nominations and elections for next year's CFMA board members – president, vice-president, treasurer and secretary. The "staff" positions for various chairs must also be filled within a short amount of time.

So it's a call to arms, or rather hands, to nominate good candidates or to volunteer for any of these positions to maintain the CFMA traditions heading into next year. If a guy like me can jump into the president's position and not run the association amuck, you should have confidence in yourself to jump in and become a more active CFMA participant, at whatever capacity. I've given you the opportunity to make this organization better – look how I lowered the bar for you – not in limbo, limbo, limbo, but to exceed the height!

This also shows you how the organization works by relying on a multitude of volunteers to make things happen. If I was really in charge, "amuck" would be an understatement. Instead, we, cumulatively, have had another good CFMA year and all of our events have been or will be held in good attendance with informative and entertaining speakers and material. I won't include my editorials as part of that statement.

We currently have many strong volunteers and officers that will hopefully continue in one capacity or another. But these individuals should not be taken for granted for another year or three or decade. Those of you who have been to the luncheons and conferences (or even those of you who just pay your annual fees and don't show up) should now do your CFMA duty and help make it happen next year. It's been fun to work with my fellow members and pull off monthly shows and two conferences. I challenge you to make it better and more fun for everyone next year! How can you lose?

We look forward to seeing and hearing from you at the next luncheon, Thursday, May 3rd, with hands held high! We will have an extended drawing for gift certificates at the end of the meeting so make plans to attend. And thanks again to all of you who are actively participating to make CFMA happen. I want to extend a special note of thanks to those retirees who keep showing up and who also write letters to the editor(s).

By the way, did you see that the test results came in – I came in second? Ya, right!

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The Bean Counter's Underground Press

By Alan Boisvert

I just attended a seminar on White Collar Crime, hosted by the Colorado CPA Society and put on by Special Agent Miles Gooderham of the FBI. Mr. Gooderham is an accountant, of course. You may or may not know that FBI field agents are usually accountants or lawyers. If you are going to throw the book at someone you want to have it in balance.

Mr. Gooderham was privileged to work on the Joe Nachcio case. If you are not familiar with this case then you might just be a good candidate for hermit of the year or the CFMA Spring Conference Chairperson.

After the experience that the prosecutors had with Enron, they decided that juries would prefer the simplified version of securities fraud leaving out all the "arcane accounting rules," to quote the press. Thus, the U.S. Attorney for Colorado, Troy Eid, my former boss, was sharp enough to do just that. I taught Troy well. I filled him with enough blah, blah, this rule, and blah, blah that rule, that he knew to keep the accountants off the stand. I think his quote was, "If I have to deal with one more self-absorbed, ego-centric, as-h-le like Alan Boisvert I won't wait for Alberto to fire me, I'll resign on my own."

So it came down to this; forty-two times Mr. Nachcio was told Qwest was tanking, and 42 times Joe told Wall Street that Qwest was doing just fine, better than ever, and then he sold his stock to the tune of \$100 million dollars. Witness after witness said, "I told Joe we can't make the numbers." Then Joe told a lie. He told the world that "Qwest would make its numbers, please buy my stock."

For all the brilliance of the defense they couldn't save Joe, because in at least 19 of the 42 counts the jury believed that Joe's intent was to defraud. If I were Joe, I would sue my lawyers because they screwed up. I would have put Mrs. Nachcio on the stand and I would have asked: "How many times have you asked Joe to take out the garbage?" She would have replied "Thousands of times."

Defense: "Mrs. Nachcio, how many times has he actually done it?"

Mrs. Joe: "None."

"So, you tell him and tell him something but he does the opposite? Why is that?"

Mrs. Joe: "Because he is a man, that's why. Whatever the hell you tell them, they will run out and do the opposite. It's their basic programming."

Defense: "Have you ever told him to wear a clean shirt because the one he has one stinks?"

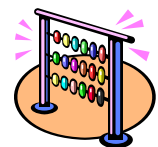
Mrs. Nachcio: "A thousand times."

Defense: "Does he?"

Mrs. Joe: "Never, never, the man is totally clueless. Have you ever told a boy, don't walk through the mud, then they do? Don't mess up your clothes before church, then they do it anyway. Don't go near Iraq, you'll break something?"

Federal Judge: "Case dismissed. Mr. Nachcio, you are free to go."

Next time Joe, if you are not going to listen to your accountants, then you better have your wife and mother ready to testify.



"The opinions expressed here are those of the author and do not necessarily represent the opinion of the Colorado Fiscal Managers Association, its Board, or its members."

The Controller's Corner

By the Field Accounting Services Team, State Controller's Office



What's Happening?

Long Bill

The Long Bill (SB07-239) was delivered to the Governor on Monday April 23 so a final copy will be available very soon. In the meantime, please review your APP2 records and send updates to your FAST specialist. Once FAST approves the FY07/08 APP2 records, AP shell transactions will be generated so you can start booking the Long Bill.

Compensated Absences

The updated rate of expected retirements has been requested, but not yet received. The new rate needs to be used in the annual compensated absence calculation. Once it becomes available, OSC will notify agencies via an Alert.

Contracts

As we approach the busiest time of the year for contracts, please remember that all contracts need to be logged into the CLI2 by the State Controller's Contract Routing Technician, Kevin Cruise. This is the first step in routing contracts to the central approvers. All contracts are delivered and routed only by the Office of the State Controller. The Attorney General's Office will not review a contract that does not have an approved CLI2 screen print or routing sequence from the OSC. Because of the heavy volume of contracts at the end of the fiscal year, please submit your contract at least four weeks before the planned effective date to allow time for each central approver to review your contracts.

Also the OSC Contracting section reminds you June is just around the corner. So if you know your contract expires June 30, get the new one to them ASAP!

Open FY08/Close FY07 Training

We felt that this year's Open/Close training went well, and based on the majority of responses you did as well. We appreciated all the comments that were given and will take them into consideration for next year's trainings. Again "Thanks" for all of you who attended!

"Chart of Account" Changes to Note

The OSC has added changes to the Chart of Accounts after the publication of the Fiscal Procedures Manual. A couple to note here are 1) OBJT 1962 Personal Services IT – Consulting and 2) BACC 3161 – Reserved – Statutory Purpose – Fin Stmt. These and additional changes will be discussed in the next alert from our office. If you have questions, contact your FAST representative.

JS Document Reminder

The folks at COFRS created a new document to accommodate balance sheet transactions within the same agency/fund combination. The "JS" document allows for adjustments in reporting categories in accounts formerly not accessible for posting, such as 2100 – vouchers payable. So, for "clean-up" of all those balance sheet reporting categories, the JS document is available for immediate use.



From the "Thought You Should Know" Category

GFOA Examines GASB Role

This is a follow-up to last month's article concerning the Government Finance Officers Association's lack of support for GASB. A new development occurred in support of GASB. NASACT reported "A week after the Government Finance Officers Association posted to its Web site a document promoting its desire to shift governmental accounting standards setting away from Governmental Accounting Standards Board to the Financial Accounting Standards Board, Securities and Exchange Commission Chairman Christopher Cox told the *Bond Buyer* that he feels GASB should continue operating under its current auspices. On Wednesday (March 28, 2007), he stated, "Our expectation is, given the expertise that GASB has developed and the important distinctions between municipal finance and the rest of accounting and reporting, that GASB should continue to play a leadership role." Stay tuned, time will tell.

The **Fourth** Branch

HAPPENINGS IN HIGHER ED

Reminders!

The Spring CFMA Conference is scheduled for May 16-18th at the Beaver Run in Breckenridge. A higher education track will be provided including sessions on Internal Controls, SAS 112 and Fraud 101. CFMA will also have a session on GASB updates. Please see the CFMA web site for more information.

The Spring Higher Education Controllers Meeting will be held immediately preceding the CFMA conference in Breckenridge on Wednesday, May 16th from 10:00-12:00. This will include updates from the Colorado Commission on Higher Education, the Office of State Auditor and the Office of State Controller. The FAC will go over any new and/or changes to the Higher Education (HE) Accounting Models, HE COFRS Chart of accounts and HE Accounting Standards. An agenda with details will be sent to the FAC's HE Controllers email list.

New HE COFRS Balance Sheet Codes

The following Balance Sheet codes have been added to the Higher Education COFRS Chart of Accounts:

2814 – Captl Unamort COPs Rfndg G/L
2815 – Noncurrent COPS Accrued Interest
2816 – Noncurrent Bond Accrued Interest

These codes are effective beginning July 1, 2007 and will be added to the HE COA on the FAC website. Activity in these codes will be included in Exhibits C and/or D.

Accounting Standards Update

HE Accounting Standard IV – “Non-Exchange Transactions” has been updated to “Exchange, Exchange-Like and Non-Exchange Transactions”. Previously, the standard only addressed the different types of non-exchange transactions. The updated version now includes the definitions for both exchange and exchange-like transactions as defined in GASB statement 33.

In practice, identifying exchange-like transactions and differentiating them from non-exchange transactions is often difficult and requires professional judgment. The standard addresses the existence of exchange-like transactions and notes that the treatment of such activity must be documented and evaluated on a case by case basis.

In addition, Economic Development revenue received from the Colorado Commission on Higher Education has been added as an example of a voluntary non-exchange transaction. There is also new guidance on reporting Restricted or Unrestricted Net Assets as a result of the transactions addressed by the standard.

The update will be available on the FAC website in May.

New Accounting Models

New HE Accounting Models regarding insurance recoveries have been approved by the Higher Education Policy Setting Group and will be available on the FAC website in May. Model P(X) addresses insurance recoveries received when no asset impairment has been recorded as defined in GASB Statement 42. Model Q(X) addresses asset impairments and outlines the entries required to record the impairment of the asset and any insurance recoveries received by the institution.

Contact your FAC representative or Vicki Nichol at Vicki.Nichol@cudenver.edu if you have any questions.



2006 - 2007

OFFICERS

President	Mike Willihnganz
Vice President	Lavynia Washington
Secretary	Linda Hunter
Treasurer	Tammy Lobato

E-MAIL ADDRESS FOR THE OFFICERS AND COMMITTEE CHAIRS CAN BE FOUND ON THE CFMA WEBSITE:

[HTTP://WWW.STATE.CO.US/CFMA/HOME.HTM](http://www.state.co.us/cfma/home.htm)



“Attend three CFMA luncheons this year and get the 4th lunch free!” – CFMA Board

CFMA’s very popular buy three get one free lunch program is in place for the upcoming year. If you attend all eight lunches this year, CFMA will pay for two of them. To assist in the record Keeping process, please register each month using the Web site registration and be sure to use the same name. For example, Roger Cusworth and Roger A Cusworth are treated as two people in the database used to track free lunches. You also need to be sure you check in each time you attend a luncheon.

In case you are wondering, your attendance from last year does not carry over to this year.

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CFMA Tim Smith Memorial Scholarship Program

21st Annual Bowl-A-Thon

Thank you to everyone who made the bowl-a-thon a success this year: the sponsors – coworkers, family, friends; the bowlers who shared their time on a Saturday; and to several individual businesses that donated give-a-ways and door prizes for the event. Special thanks go out the Departments that stepped it up this year and spread the word to form the extra teams we needed to field the event and keep the Bowl-A-Thon a continual tradition. Because of everyone’s efforts, our participant count was increased from the previous year.

A final total of the dollars raised for the Tim Smith Scholarship Fund will be announced along with the team Bowl-A-Thon winners, the “Theme Team”, the highest scores and the highest contributors at the June luncheon. See you all there!



“Spring is when you feel like whistling even with a shoe full of slush.”

~Doug Larson